

MEMORANDUM

DATE: May 31, 2007

TO: All Members of the Delaware State Senate
and House of Representatives

FROM: Ms. Daniese McMullin-Powell
Chairperson
State Council for Persons with Disabilities

RE: S.B. 37 [Health Insurance Rates]

The State Council for Persons with Disabilities (SCPD) has reviewed S.B. 37 regarding the Insurance Commissioner's authority to review insurance rates. As background, Delaware law currently authorizes the Insurance Commissioner to review rates charged for auto insurance, homeowner's insurance, and all other forms of property and casualty insurance. However, rates charged by large health insurers are exempt from Insurance Commissioner review. See Title 18 Del.C. §2506(e). This bill would remove the health insurer exemption from Commissioner review. Health insurers would be required to file rating plans (§2504) which would be subject to review based on several standards, including whether the rates are excessive or discriminatory [§2503(2)].

SCPD endorses the proposed legislation.. Health insurance affects thousands of Delawareans and double-digit rate hikes are not uncommon. It is anomalous to authorize the Insurance Commissioner to regulate rates of other common forms of insurance while exempting health-related insurance.

Thank you for your consideration and please contact SCPD if you have any questions regarding our position on the proposed legislation.

cc: The Honorable Ruth Ann Minner
The Honorable Matthew Denn
Governor's Advisory Council for Exceptional Citizens
Developmental Disabilities Council

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